

ORIGINAL

BEFORE THE ARIZONA CORPORATION



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ARIZONA CORPORATION COMMISSION
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Arizona Corporation Commission
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IN THE MATTER OF ARIZONA PUBLIC
SERVICE COMPANY AND VERIZON
CALIFORNIA, INC.'S JOINT PETITION
FOR THE ESTABLISHMENT OF AN
UNDERGROUND CONVERSION
SERVICE AREA

DOCKET NO. E-01345A-07-0663
DOCKET NO. T-01846B-07-0663

ARIZONA PUBLIC SERVICE
COMPANY AND VERIZON
CALIFORNIA, INC.'S NOTICE OF
FILING REPLY BRIEF

I. INTRODUCTION

Arizona Public Service Company ("APS") hereby files its Reply Brief in the above-captioned matter. On July 21 and 22, 2009, an additional evidentiary hearing was held in this matter at the Commission's offices in Phoenix, Arizona. At the conclusion of the additional evidentiary hearing, the ALJ requested the parties brief the following issues:

1. What is meant by the provision in A.R.S. § 40-346(A) requiring "that owners of no more than forty percent of the real property within the underground conversion service area, or no more than forty percent of the owners of real property, have not objected to the formation of the underground conversion service area. . .?"
2. Is it appropriate for the Commission to consider late withdrawals of signatures and/or objections to the UCSA, in considering whether the standard for approval of the UCSA is met, given A.R.S. § 40-345(1)?
3. Given the fact that the Commission ordered a new hearing, is it appropriate for the Commission to consider subsequent withdrawals of signatures and/or objections to the UCSA, in considering whether the standard for approval of the UCSA is met?
4. Given the subsequent withdrawals of signatures and/or objections to the UCSA, is dismissal of the Petition appropriate?
5. Given A.R.S. 40-342(D), can service costs be attributed on a square footage basis?

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On August 26, 2009, APS, Verizon California, Inc. ("Verizon"), Hillcrest Bay, Inc. ("HBI") and Staff filed Post Hearing/Closing Briefs. Since APS believes that the issues raised by the ALJ were adequately addressed by APS, Verizon and Staff and APS will not add any additional comments to refute the above-referenced issues argued by HBI. Although APS will not address the numerous issues raised by HBI that appear to go beyond the scope of the issues that the ALJ requested the parties to brief, APS will specifically address HBI's Post Hearing Brief, Section II, entitled Health and Safety as described below.

II. DISCUSSION.

1. APS conducts annual public safety reviews in Hillcrest Bay and no public safety hazards have been identified.

HBI erroneously asserts that APS witness D.L. Wilson's testimony that APS has conducted annual safety inspections at Hillcrest Bay and that no public safety hazards exist does not have a sound evidentiary basis in this case. **HBI Post Hearing Brief at 6.** Yet, Mr. Wilson's testimony is uncontroverted in this case. Specifically, Mr. Wilson testified:

*The entire APS distribution system is inspected on an annual basis. It's a public safety line patrol. In my area those are done by folks out of Phoenix that do that throughout the state. As you may recall, last year that public safety patrol was somewhat delayed and completed just before the open meeting. **No public safety hazards were identified last year, and actually we did two inspections last year. One with a particular focus on the overhead clearance issues and a second focusing on the condition of the butts of the poles. Subsequent to that second inspection we did replace two poles that appeared to be weaker than they should be in the ground area. That patrol has also been completed for 2009 and no public safety issues were identified.***

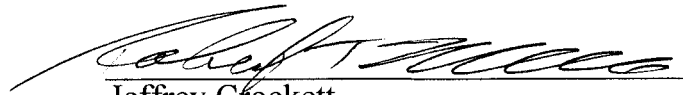
July 22, 2009 Tr. at 276-277, lines 16-25, 1-5. To complete the record, APS has attached as Exhibit A the Line Patrol Inspection Documentation for Hillcrest Bay for the years 2007-2009. This documentation includes the inspection logs for each year.

It is uncontroverted that there has been subsequent encroachment of structures into the utility easements. **July 22, 2009 Tr. 344, lines 10-14.** It is also uncontroverted that the lines as installed have the requisite vertical and horizontal clearance requirements required by OSHA. **July 22, 2009 Tr. 333, lines 3-6.** HBI argues that putting the lines underground will eliminate such problems. Although this is true, why should all residents of Hillcrest Bay incur the cost of rectifying such encroachment and not the homeowner responsible for creating the encroachment?

Finally, on December 12, 2007, Staff met with representatives of both APS and Verizon and toured Hillcrest Bay. Neither during the inspection nor afterwards has Staff raised any concern regarding public safety in this case. In any event, APS will volunteer to allow for additional safety inspections if there is any question as to whether safety hazards exist in Hillcrest Bay.

RESPECTFULLY submitted this 8th day of September, 2009.

SNELL & WILMER L.L.P.



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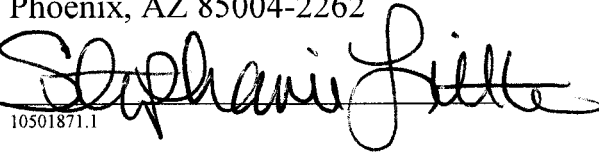
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ANNUAL PUBLIC SAFETY LINE PATROL INSPECTION

Patrol Map Number THN 2186 Line Patrol Year 2007 Master Maximo W 332 395
 Division South west Patrolled By Steven Weber Start 4/13/07 Complete 4/13/07

ITEM #	PRIORITY	SAFETY	MAINT.	ENCROACHMENT	LOCATION & WORK REQUIRED	MAXIMO	COMPLETED BY	DATE
	1 2 3	S	M	E	Nothing Found			
	1 2 3	S	M	E				
	1 2 3	S	M	E				
	1 2 3	S	M	E				
	1 2 3	S	M	E				
	1 2 3	S	M	E				
	1 2 3	S	M	E				
	1 2 3	S	M	E				
	1 2 3	S	M	E				
	1 2 3	S	M	E				
	1 2 3	S	M	E				
	1 2 3	S	M	E				
	1 2 3	S	M	E				
	1 2 3	S	M	E				
	1 2 3	S	M	E				

357-011L (V1.0 11-04)

Clearance related issues require vertical and/or horizontal distance measurements taken and recorded on the patrol log sheet.
 Encroachment issues require documentation and are defined as Immediate Hazard or Potential Safety Concern to the operating system.
 Pole numbers, major cross streets, address, or additional information of illegal encroachments are required for follow up and needs to be added to the patrol log sheet.
 Children Maximo's created for corrective action need to belong to Master Maximo in Work Order hierarchy.
 GL Codes for Children Maximo's need to reflect MDCA102 for Maintenance related repairs, or CDCAT02 for Capital replacement.

6-10-08

$3 = 1$ year

Check if no problems were identified during line patrol activities

357019 12-067

ANNUAL PUBLIC SAFETY LINE PATROL INSPECTION

Parcel Map Number Buckskin Feeder #1 Line Parcel Year 2009 Master Machine 436678
 Owner La Paz Patrolled By Sawant Houle Start 4-15-09 Complete 4-15-09

Maximo priorities: 1 = Immediate Hazard Contact Operations Center Immediately: 2 = 60 days; 3 = 1 year						
ITEM #	PRIORITY	SAFETY	MAINT.	ENCROUNT.	TREES	LOCATION & WORK REQUIRED
	123	S	M	E	T	Nothing Found
	123	S	M	E	T	
	123	S	M	E	T	
	123	S	M	E	T	
	123	S	M	E	T	
	123	S	M	E	T	
	123	S	M	E	T	
	123	S	M	E	T	
	123	S	M	E	T	
	123	S	M	E	T	
	123	S	M	E	T	
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	123	S	M	E	T	
	123	S	M	E	T	
	123	S	M	E	T	
	123	S	M	E	T	
	123	S	M	E	T	
	123	S	M	E	T	
	123	S	M	E	T	

Check if no problems were identified during line patrol activities ☒

Clearance related issues require vertical and/or horizontal distance measurements taken and recorded on the patrol log sheet.
 Encroachment issues require documentation are defined as Immediate Hazard or Potential Safety Concern in the operating system.
 Pole Numbers, major cross streets, address or additional information of illegal encroachments are required for follow up and needs to be added to the patrol log sheet.
 Children Maximo's created for corrective action need to belong to Master Maximo in Work Order Hierarchy
 GL Codes for Children Maximo's need to reflect MDCA 1022 for Maintenance related repairs, or COCA 1022 for Capital replacement.
 Tree Related Items - Copies of form shall be sent to appropriate Forestry Section Leader in a timely manner and documented in appropriate Maximo Log Description with date sent included.